

Message Text

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TO AMEMBASSY SANTIAGO PRIORITY

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FOR AMBASSADOR RICHARDSON

E.O11652: N/A

TAGS: PLOS, OVIP (RICHARDSON, ELLIOT L)

SUBJECT: LOS - SEABED MINING LEGISLATION

1. FOLLOWING APPEARED IN JULY 27 WALL STREET JOURNAL
TITLED: "HOUSE PASSES BILL TO ALLOW MINING OF SEABED IN

'80S"; "MEASURE GOES TO THE SENATE, WOULD ALLOW WORK
EVEN WITHOUT A WORLD ACCORD"

2. BEGIN TEXT: THE HOUSE PASSED, 312-TO-80, LEGISLATION
THAT WOULD ALLOW US COMPANIES TO START MINING MINERALS
FROM THE DEEP-OCEAN FLOOR IN THE 1980S, EVEN IN THE AB-
SENCE OF AN INTERNATIONAL TREATY REGULATING SUCH ACTIVITY.

THE BILL GOES TO THE SENATE, WHERE A COMPANION MEASURE
IS PENDING BEFORE THE COMMERCE COMMITTEE.

THE HOUSE-PASSED VERSION MAINLY SETS UP A SYSTEM FOR US
MINING COMPANIES TO GET A GOVERNMENT PERMIT FOR MINING
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PACIFIC OCEAN-BED NODULES CONTAINING COPPER, NICKEL,
MANGANESE AND COBALT. THE HOUSE VOTED 214-TO-184 TO
GIVE THIS PERMIT-ISSUING AUTHORITY TO THE COMMERCE DEPART-
MENT INSTEAD OF THE INTERIOR DEPARTMENT.

THE CARTER ADMINISTRATION SUPPORTS THE HOUSE VERSION OF THE
BILL. IT OMITTS A PROVISION SOUGHT BY THE MINING INDUSTRY

THAT WOULD GUARANTEE US COMPANIES AGAINST ANY LOSSES THAT MIGHT ARISE FROM A FUTURE INTERNATIONAL TREATY REGULATING SEABED MINING. THE BILL PENDING IN THE SENATE COMMERCE COMMITTEE STILL CONTAINS A LOSS-INSURANCE PLAN, WHICH THE ADMINISTRATION OPPOSES.

THE BILL'S PASSAGE BY THE HOUSE REFLECTS RISING CONGRESSIONAL IMPATIENCE WITH THE SLOW-MOVING UNITED NATIONS LAW OF THE SEA CONFERENCE, WHICH IS TRYING TO WRITE A TREATY DEALING WITH BROAD ASPECTS OF OCEANIC ACTIVITY. UNDERDEVELOPED COUNTRIES ARE PUSHING FOR A SEABED MINING PLAN THAT WOULD PLACE MINING OPERATIONS UNDER TIGHT INTERNATIONAL CONTROL. US COMPANIES THAT WANT TO START MINING THE NODULES IN THE NEXT DECADE FEAR THESE REGULATIONS WOULD ARTIFICIALLY LIMIT PRODUCTION TO PROTECT THE MINERAL PRICES OF LAND-BASED COUNTRIES.

ELLIOT RICHARDSON, THE US AMBASSADOR TO THE LAW OF THE SEA CONFERENCE, WANTS CONGRESS TO BE VISIBLY MOVING A UNILATERAL MINING BILL ALONG WHEN NEGOTIATIONS RESUME NEXT MONTH IN NEW YORK AS A SIGNAL THAT US MINING WILL TAKE PLACE REGARDLESS OF WHETHER THERE'S A TREATY. IF A TREATY IS SUCCESSFULLY DRAFTED AND RATIFIED BY THE SENATE, ITS TERMS WOULD SUPERSEDE THE BILL THAT CONGRESS IS WORKING ON.

THE HOUSE-PASSED BILL ANTICIPATES A TREATY BY LEVYING A
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TAX OF 0.75 PERCENT ON THE VALUE OF DEEP-SEA MINERALS MINED BY US COMPANIES. THE REVENUE WOULD BE RESERVED FOR A TREATY-CREATED FUND THAT WOULD BE SHARED BY UN MEMBERS. A BID BY REP. FORTNEY STARK (D., CALIF.) TO RAISE THIS TAX TO 10 PERCENT WAS BEATEN BY A STANDING VOTE OF 18 TO EIGHT.

US COMPANIES ALREADY ARE WORKING ON OCEAN-MINING TECHNOLOGY IN WHICH SHIPS ON THE SURFACE WOULD SCOOP UP NODULES FROM THE SEABED. THE HOUSE APPROVED A REQUIREMENT THAT THESE MINING SHIPS MUST BE US-FLAG VESSELS, AND THAT SOME PORTION OF THE ORE BE CARRIED TO SHORE PROCESSING SITES IN US-FLAG VESSELS.

END TEXT

CHRISTOPHER

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